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exchange has risen so enormously *that at the present rate of exchange American capital could develop the water power of Austria at about one-half of the expense in dollars that such an undertaking would have entailed in pre-war days.*

Austrian water power, therefore, can offer much better inducements in the international market than has ever been the case before; further, it could undoubtedly be used for the develop-

ment of an important electro-chemical industry and other such products as would find a good market on account of the low price at which they could be exported, *so that the foreign capital invested in the development of Austrian water power would also earn interest in foreign currency.* Such investments would be of inestimable advantage to Austria's whole economic situation.

## CHAPTER IV

### The Coal Supply of Austria After the Revolution of 1918

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**T**HE Revolution at the end of 1918 completely upset the coal supply of Austria. The most important coal districts of Austria, the brown coal district of Northwestern Bohemia, the gas, coal and coke district of Ostrau-Karwin, the district of Trifail, fell to the Succession States, which immediately imposed hard conditions on the export of coal.

In Upper Silesia, which supplied most of the coal needed in Austria, the output was reduced to but a small fraction of its normal extent and therefore only quantities quite inadequate to the demand could be spared for Austria. The supplies from the Ruhr-Saar valley on which the western provinces of Austria (the Alpine Montan-Gesellschaft in particular) depended for coke for their blast-furnaces, ceased entirely.

So Austria had to fall back on her own coal production which has at all times come short of the demand and suffered a further reduction through the Revolution. Her inland coal, being

brown coal, lignite, was of inferior quality. It was clear, then, that the coal supply of the new Republic had to undergo a process of reconstruction under greatly changed circumstances.

#### DISTURBANCE OF COAL IMPORT DUE TO POLITICAL CONDITIONS

The unfavorable situation of the coal problem was further aggravated by the political conditions at home and abroad. The dismemberment of the old Monarchy into the several National States dealt a heavy blow to the competence of the central authorities. This made itself specially felt with regard to the coal supply. Some of the provinces took the coal administration into their own hands. But the economic pressure of those days caused not only the provinces but also some of the town and district councils, workmen's and soldiers' councils, military bodies and subordinate railway authorities to proceed independently in the coal question; they laid embargoes on all coal they could get.

Similar conditions in the neighboring countries also added to the difficulties of the import of coal, whether the governments of these countries closed the frontiers, or whether subordinate railway authorities arbitrarily laid embargoes on coal destined for export to Austria, some of them in order to secure their own demand, some only in demonstration of their national feeling.

Especially the coal transports through Czecho-Slovakia, through which country all the coal from Upper Silesia has to pass on its way to Austria, continued to suffer disturbance for a long time. Often the frontiers were even completely closed, as when the bank notes were being stamped with a view to nationalization or when the warlike conflict raged between Czecho-Slovakia and Poland over the division of the plebiscite district of Teschen. Over and over again, even up to the present day, the precarious and inadequate coal supply of Austria

has had to cope with like disturbances, forcing many industries to reduce the working hours and hampering their steady development. Just at present Austria has to do without pit coal from Upper Silesia owing to the political troubles which began on May 1 of this present year.

#### REQUIREMENTS AND HOME OUTPUT

The monthly requirements of fuel in Austria are divided according to the various groups of consumers as shown below.

These fuel requirements have to be met by the home product and by importation.

The Austrian *home output* of coal amounted to 228,925 tons a month in 1913, the last year of peace; it sank to 150,000 tons, *i.e.* 12 per cent of the requirements, after the Revolution. It must also be remembered that the inland coal is nearly all brown coal (lignite), pit coal being produced only in

MONTHLY FUEL REQUIREMENTS FOR AUSTRIA

<i>Groups of consumers</i>	<i>Coal</i>	<i>Coke</i>	<i>Total</i>
Transport . . . . .	388,800	2,560	391,360
Vienna metropolitan gas work . . . . .	66,000	.....	66,000
	38,350	.....	38,350
Gas, water and electrical plants in the provinces . . . . .	12,250	.....	12,250
Private consumers in Vienna . . . . .	156,300	15,500	171,800
Private consumers in the provinces . . . . .	141,700	14,100	155,800
Agriculture . . . . .	4,500	.....	4,500
Food industries . . . . .	30,100	1,700	31,800
Iron, and steel foundries . . . . .	148,730	83,250	231,980
Requirements of the coal-mines . . . . .	25,800	.....	25,800
Other mines . . . . .	17,400	1,500	18,900
Salt works . . . . .	11,600	.....	11,600
Chemical industries . . . . .	36,500	4,200	40,700
Glass industries and potteries . . . . .	14,900	100	15,000
Building materials . . . . .	58,100	5,380	63,480
Tobacco manufactories . . . . .	1,450	80	1,530
Textile industries . . . . .	28,200	1,400	29,600
Leather industries . . . . .	5,100	300	5,400
Paper industries . . . . .	35,000	100	35,100
Wood, and other industries . . . . .	1,500	300	1,800
Total . . . . .	1,222,280	130,470	1,352,750

trifling quantities. Yet the inland coal is the only coal which Austria really has at her disposal.

#### GOVERNMENT MEASURES TO INCREASE DOMESTIC COAL OUTPUT

Therefore the Austrian government is giving its best attention to the home production. In the first instance, the government tried to stimulate the development of the existing coal mines and the establishment of new mining enterprises. Unfortunately, all investments had in consequence of the prevailing coal shortage to encounter the greatest difficulties, as the industries which should have supplied the machinery and other materials required could be worked only temporarily.

One of the chief reasons for the diminution of the coal output was the decrease of the working capacity of the miners by the bad food situation. The Coal Department of the Board of Trade, therefore, induced the government to grant the miners the privilege of considerably better food supplies on condition of more efficient work. For an intensification of their work by 10 per cent as compared to the work done in the first quarter of 1920 and for the performance of one Sunday-shift a month, the miners are granted premiums in the shape of foodstuffs at very low prices, the premiums being raised to conform to a further increase of the work, finally approaching the food supply of pre-war times, should the increase reach 20 per cent. For additional Sunday-shifts the miners receive premiums in the shape of clothing.

By all these measures gradual increase of the home production of coal was made possible. The coal output amounted to not over 156,000 tons a month in the year 1919. These measures raised it to 197,000 tons in January, 1920, and it had already reached

the peace output with 229,000 tons in January, 1921. These figures have since been even a little surpassed.

#### DIMINUTION IN PRINCIPAL SOURCES OF SUPPLY

But the first place in the coal supply of Austria must be left to the *import of coal from abroad*, especially from Czecho-Slovakia and Germany. Czecho-Slovakia, which had supplied Austria with 35 per cent of her coal requirements in 1913, placed exportation under very hard conditions immediately after the Revolution. Therefore negotiations on behalf of the continuity of the coal supply were begun immediately. For political reasons these negotiations turned out to be extremely difficult. It must be continually borne in mind that the regulation of the Austrian coal supply has always been hampered by political problems. At present, Austria gets 140,000 tons of coal a month, *i.e.* about 40 per cent of the quantities received in peace time, from Czecho-Slovakia, conforming to a contract of compensation.

Another country of importance for the coal supply of Austria is Germany, the territories that form the new Austria having obtained from Germany, especially from Upper Silesia and to a smaller extent also from the Ruhr and Saar districts, 360,000 tons of pit coal a month. After the Revolution the supplies from the last mentioned districts were stopped absolutely. In Upper Silesia the output was reduced to one-sixth of the pre-war output, partly by labor troubles, and partly by the lack of means of transport, as Germany was compelled by the terms of the Armistice to give a large part of her engines and other transport facilities to the Allied Powers. For some time therefore, the export to Austria had to be nearly suspended. Only gradually after the hauling conditions had im-

proved could deliveries to Austria be increased.

On the occupation of Upper Silesia by the Interallied Plebiscite Commission in 1920, the quantities of coal to be delivered from Upper Silesia to Austria were fixed by the Reparation Commission in Paris at 200,000 tons a month. This quantity was always fully delivered up to May 1 of the present year when the supplies were stopped, owing to the political troubles in Upper Silesia.

Finally, Austria gets the comparatively trifling quantity of 13,500 tons a month, in accordance with a compensation treaty, from Poland.

In addition, some smaller quantities are being brought in to Austria beyond the contingents fixed by treaties, especially from Czecho-Slovakia. The output of brown coal of inferior quality in Czecho-Slovakia has constantly surpassed the demand, leaving a surplus for export, on all of which an export duty was imposed.

The provision of American or English pit coal, offered for sale in any quantity, has so far proved impossible, its price being prohibitive in consequence of the depreciation of the Austrian exchange. In Vienna, the price of Czecho-Slovakian brown coal amounts to about 3,000 kronen, the price of pit coal from Upper Silesia, to 4,500 kronen per ton, while the price of the American pit coal is nearly 10,000 kronen, a price the Austrian industry cannot pay, threatened as it is by foreign competition.

Altogether, Austria had a quantity of 6,490,789 tons of coal at her disposal in the year 1920, *i.e.*, 540,000 tons a

month, just 41 per cent of her total requirements. The coal situation was, therefore, extremely hard, especially during last winter.

#### CONSEQUENCES OF DIMINUTION IN SUPPLY

The inevitable consequence of this insufficient supply and of the frequent stoppages of importation were repeated restrictions of the tram service and a very scanty supply for the most urgent public needs such as food industries, gas and power works, hospitals and household fuel, even kitchen fires. The population was often exposed to the direst distress, and the laboring classes to the greatest unrest owing to unemployment.

Most hopeless was the plight of the metropolis, Vienna. Here the gas and power works as well as the tram service had to undergo decisive restrictions, and private households were limited to the consumption of one cubic meter of gas and one hectowatt of electricity a day only. In Vienna, the allowance for kitchen fires per week and household is only seven kilos (about 15 lbs.). A more liberal supply to the 540,000 households in Vienna could be granted only if there were much larger quantities of coal on hand.

Though the coal situation of Austria has gradually improved as compared with the awful plight immediately after the Revolution, the quantities of coal at her disposal are not nearly sufficient to allow a return to normal economic life. Only by considerably raising the import from abroad and by securing its regular delivery can anything like a lasting improvement be produced.